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Why Alternate Fuel Plan Worries Industry
Why Scarce UST Loans Concern Jobbers
How To Select Prime Locations

NPN
National Petroleum News

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How Franchisees, Operations Revamp Pulled Gascard From Bankruptcy To Profitability

NPN
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Classified Sales
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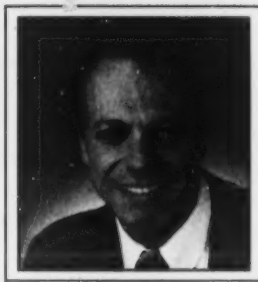
Regional Reporters:
East Coast: J. Richard Shaner, P.O. Box 1476, Morristown, NJ 07962-1476. (201) 428-2902
Midwest: Angel Abcede, 950 Lee St., Des Plaines, IL 60016. (312) 296-0770
South: Glenn Geigler, 950 Lee St., Des Plaines, IL 60016. (312) 296-0770
West: Mark Emond, P.O. Box 8130, Anaheim, CA 92812-0130. (714) 774-5598



Editor's Viewpoint

Your pick: You can be shot in the head or shot in the heart. Either way...

Those options aren't too far from what we'll have if methanol becomes the alternate fuel of choice—and there are strong supporters for just that.

The motive behind the idea is good: cleanse pollution from our air and protect the ozone layer because without it there's nothing to filter the sun's most dangerous rays and we're all Kentucky Fried Chicken. Then there's the "greenhouse effect," which, among other things, threatens to melt the polar ice caps, so anyone who escapes the frying pan better learn to swim.

Using an alternative to gasoline would help because gasoline emissions contribute to our atmospheric problems. Gasoline has other drawbacks, too. Most of us are well aware of them by now, so why beat a dead horse?

But is methanol the answer? Here's information from the American Petroleum Institute which has not received the publicity it deserves.

- Methanol is extremely toxic when ingested or absorbed through the skin. Ingesting just 2-oz. can be fatal; ingesting 1/8-oz. (you can put that in an eyedropper) can cause blindness. There have been cases of people going blind after continuing to wear clothing on which methanol had been spilled.
- Being water soluble, methanol disperses rapidly into the ground, making spill control difficult and groundwater contamination a dangerous threat.
- Methanol emissions have formaldehyde, a probable cancer causing agent.
- At normal temperatures, 100% methanol can form an explosive mixture in confined spaces.
- Methanol corrodes metals and synthetic materials in engines and fuel systems and fires could be caused by fuel leaks in engine compartments. In addition, methanol flames are invisible in daylight and emit only a faint blue light at night. Current foams can't suppress methanol fires.
- Twice as much methanol is needed to produce the same energy as gasoline, so we'd need twice as much delivered, doubling the chances of transportation accidents, spills and fires.
- Methanol is colorless and almost odorless and tasteless—virtually nothing to warn you it's there. (Let some of this get into the groundwater.)
- Making methanol from natural gas is expensive; making it from coal is even more expensive and would also increase carbon dioxide emissions—a significant greenhouse effect gas.

In scrambling to satisfy panic-stricken environmental extremists, the government (starting with the President) and its agencies (mainly the EPA) have proposed a cure that's as bad, if not worse, than the disease. That's what's happens when you politicize the atmosphere. *— Frank M. Victoria*

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10 Trends

Gascard, the high-profile fleet fueling network, has emerged from last year's financial tailspin into a leaner, meaner and more profitable company—with a big assist from key marketer franchisees.

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Because of the reluctance of lenders, many small marketers today find themselves over a financial barrel trying to get bank loans for underground tank upgrades and station modernization. Here's why.

Page 47

Finding prime sites for retail development is a more challenging task than ever. Here's what marketers should look for before acquiring a new site or redeveloping an existing location.

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• TRENDS

New Census Figures Pose Challenge For Marketers

Not only are the oil marketing numbers in the 1987 Census of the Retail Trades disquieting (see page 23), they are literally challenging industry executives to sit down with federal officials and rewrite the specifications governing the statistics that are to be collected and tabulated every five years.

Too many important details—for oil marketers, anyhow—are being fluffed off and the outlook is for more of the same in the years ahead.

Consider the service station population, for example.

One set of figures in the national totals (which didn't make it through the collection and printing processes until six weeks ago) says there were 105,561 service stations in business at the end of 1987. Another says there were 114,748 stations. That's a difference of 9,187 stations—almost as many as there are in California, the biggest gasoline consumer.

The first set of numbers is the total of stations in business at the end of the year. This is the number that the Census Bureau has been using for decades and is probably a more accurate barometer of the service station population than the second set, which is a new floating count that focuses on the number of stations in business at any given time during the year—in other words, the high water mark, not the world that was on December 31 of any given year.

Using California statistics as an example of why the year-end numbers are too important to be discontinued, it should be noted that the December 31 total is 9,127 vs. the floating number of 9,812—a negative difference of 685 stations, nearly 7%. Nominally, a 7% error in calculating the number of one's competitors could be akin to Russian Roulette in planning.

That 105,561 total also says the service station population decline has been rougher than other figures that had been projected for 1987—a difference of 10,000 stations. If that decline continued in 1988 and 1989, it could mean that the national total of service stations is down to maybe 100,000, the lowest it has been since 1925 or thereabouts. That's 126,000 fewer than the peak year of 1972. It's not a matter of concern in one sense. There's no problem with gasoline supply and available facilities. Motorists' needs are taken care of quickly and efficiently.

But the figures themselves are misleading. Until the early 1970s, probably 99% of the gasoline sold was vended through service stations. The service station count then was an accurate reflection of the gasoline universe of the time. But then a new element appeared—convenience stores with gasoline pumps. There are now about 40,000 of these stores but they aren't recognized in the service station count because more of their revenues are from groceries than gasoline; so therefore, under Census Bureau regulations, they are identified as convenience stores, not gasoline outlets.

Another factor of importance: in the early '70s, the Census Bureau count was a respectable universe of gasoline marketing. In 1982, through oversight, the Census Bureau counted only the stations with payrolls, dropping all the "Moms-and-Pops" and smaller family affairs in the process (a factor of 10% to 15%).

It did this again in 1987. It now proposes to drop the year-end numbers in its 1992 census. Rather than a relatively true count of the service station population in 1992, all the industry will be getting in the '90s are the totals for service stations with payrolls only and a variable, high-water count at that. The statistics would be generally meaningless since they would be an image of only about half of gasoline marketing.

Service station population figures are a real mess right now. What's desperately needed is a government or industry/government procedure to count all gasoline marketers, not just some of them. The same applies to fuel oil and LPG, two other marketing areas with haphazard statistics. The time to do it is now. Washington people will tell you it takes three-to-five years to get bureaucracies to accept changes and implement them.

—by J. Richard Shaner

• MARKETPLACE AT A GLANCE

AVERAGE GASOLINE PRICES IN THE U.S. (per gal.)

	Gasoline (All types)	Leaded Regular	Unleaded Regular	Unleaded Premium
U.S. City Avg.	$1.096	$1.034	$1.057	$1.233
Regions:				
Northeast	1.119	1.047	1.062	1.262
North Central	1.081	1.028	1.050	1.231
South	1.082	1.034	1.037	1.195
West	1.110	1.035	1.090	1.273

Source: U.S. Dept. of Labor, Bureau of Labor Statistics

STOCKS (Add 000 bbl.)

	9/29/89	9/30/88
Gasoline (Total)	223,741	221,535
Gasoline (Unleaded)*	161,175	141,432
Jet Kerosine	40,065	41,537
Distillates	122,923	129,833
Residual	44,792	44,364

**Included in gasoline total*

Source: American Petroleum Institute

Federal Survey Indicates Fewer Gasoline Stations—But Doubts Remain

The eagerly awaited state and national summaries of the 1987 Census of Retail Trades were released in late September and the statistics weren't exactly happy reading for petroleum marketers. However, the methodology of the study and recent informal research by NPN indicate that the Census figures may present a less than full and accurate picture.

The latest study, a quinquennial effort mandated by Congress and made by the Commerce Department's Bureau of the Census, showed serious declines in population counts and sales totals as well as substantial increases in cost factors such as payrolls and employees (see summaries in Chart A and tables).

As a matter of fact, the 1987 retail service station population erosion was worse than had been projected by other government and industry estimates.

For example, the variable count for 1987 in the current census was 114,748 stations. The unofficial count for 1987 from other sources was 115,870 stations by way of comparison—a negative difference of 1,120 establishments *[NPN* Factbook—'88, p135, and *NPN* Factbook—'89, p126].

But the most telling blow of all was the year-end total that has been the official barometer for several decades. Census Bureau said this total was 105,561 stations at the end of 1987, down 9.1%. This year-end number is 10,309 stations below the 115,870 previously believed to be a reasonably accurate outlet projection for 1987.

Service station numbers and sales are down, according to the Census Bureau, but the data may be incomplete.

Numbers game confusion

The 1987 census did little to help resolve the gray-area confusion over the actual number of retail service stations in the U.S. To the contrary, it muddied the situation a bit more and said the direction it is going for the 1992 survey will make growth-decline comparisons with the past almost impossible then and in future years.

It didn't help either in trying to come up with a nose count of retail gasoline outlets, i.e., places where motorists can buy

CHART A

The 1987 Census: A Bird's Eye View Of The Principal Findings (a)

	1987	% Chng. vs 1982
GASOLINE STATIONS		
No. of establishments (variable)	114,748	-9.4%
No. of establishments (year-end)	105,561	-9.1%
Total sales (billion $)	$102.0	+7.7%
Average per establishment	$888,882	+18.9%
Total payrolls (billion $)	$6.4	+34.5%
Average per establishment	$55,894	+48.5%
Total employees	701,690	+16.2%
Average per establishment	6	+1
FUEL OIL DEALERS		
No. of establishments (variable)	5,816	-8.7
No. of establishments (year-end)	5.511	-9.1
Total sales (billion $)	$9.3	-20.9
Average per establishment	$1,598,025	-13.4
Total payrolls (billion $)	$1.6	+27.6
Average per establishment	$182,090	+39.9
Total employees	54,035	+2.8
Average per establishment	9	+1
LPG DEALERS		
No. of establishments (variable)	6,378	+4.3
No. of establishments (year-end)	6,073	+3.0
Total sales (billion $)	$4.8	-0.7
Average per establishment	$747,775	-4.8
Total payrolls (million $)	$746.0	+37.1
Average per establishment	$116,959	+31.5
Total employees	43,045	+9.6
Average per establishment	7	+1

(a) Traditionally, Census Bureau has used year-end totals as its official count for establishments. The 1987 census introduced a new approach, the number of stations in existence at any given time. In other words, a peak (or variable) count. By way of explanation, note that the year-end total of gasoline establishments (above) is only 105,561 while the variable (floating) total is 114,748. Census Bureau says the year-end count will be dropped in future censuses.

U.S. Census Data: Service Stations With Payrolls, 1987 vs. 1982(a)

Compiled by National Petroleum News

	Establishments (b)				Dollar Sales						Annual Payroll ($)			No. of Employees			Average
	Variable Year-End				(Add 000)		%	Per Establishment		%	(Add 000)		%			%	Per Station
	1987	1982	1987	1982	1987	1982	Chng.	1987	1982	Chng.	1987	1982	Chng.	1987	1982	Chng.	1987	1982
Alabama	2,229	2,206	2,048	2,003	1,452,893	1,173,199	23.8	651,814	531,842	22.6	90,542	54,881	55.0	10,256	7,629	34.4	5	4
Alaska	214	188	184	176	179,436	205,846	(12.8)	838,486	1,094,926	(23.4)	16,510	15,684	5.3	1,197	1,219	(2.0)	5	6
Arizona	1,241	1,320	1,151	1,204	1,584,575	1,308,398	21.3	1,276,853	989,695	29.0	100,687	62,277	61.7	10,430	7,544	38.3	8	6
Arkansas	1,357	1,381	1,320	1,216	942,262	759,692	24.0	694,371	550,103	26.2	61,217	40,596	50.8	7,626	5,313	43.5	6	4
California	9,812	11,426	9,127	10,625	10,742,275	10,531,345	2.0	1,094,810	921,700	18.8	654,279	517,774	26.4	71,074	64,727	9.8	7	6
Colorado	1,568	1,787	1,455	1,570	1,533,021	1,429,634	7.2	976,416	800,019	22.0	96,955	70,850	36.8	10,145	9,404	7.9	7	5
Connecticut	1,671	1,884	1,531	1,728	1,656,222	1,447,769	14.4	991,156	768,458	29.0	119,781	84,407	41.9	10,898	9,969	9.3	7	5
Delaware	279	336	250	302	284,901	267,883	6.4	1,021,151	797,271	28.1	17,792	11,839	50.3	1,897	1,583	19.8	7	5
District of Columbia	115	174	96	158	129,050	180,038	(28.3)	1,122,174	1,034,701	8.5	8,568	10,124	(15.4)	917	1,137	(19.3)	8	7
Florida	5,933	5,922	5,329	5,504	5,528,589	4,775,575	15.8	931,832	796,992	16.9	340,281	243,274	39.9	37,187	29,382	26.7	6	5
Georgia	3,273	3,371	3,020	3,075	2,987,099	2,381,548	25.4	912,649	836,117	3.0	197,924	115,593	71.2	21,288	14,759	44.2	7	4
Hawaii	355	389	341	366	472,232	400,101	6.8	1,330,231	1,028,537	29.3	39,024	28,549	36.7	3,974	3,684	7.9	11	9
Idaho	558	552	512	494	443,888	352,934	25.8	795,498	639,373	24.4	26,059	16,753	55.5	3,202	2,408	33.0	6	4
Illinois	4,655	5,624	4,294	5,139	4,624,773	4,590,806	0.7	993,506	816,291	21.7	279,449	243,478	19.2	28,987	28,277	2.5	6	5
Indiana	2,854	3,476	2,634	3,167	2,640,217	2,725,444	(3.1)	925,094	784,362	17.9	154,577	129,434	19.4	17,493	16,279	7.4	6	5
Iowa	2,020	2,223	1,906	2,064	1,420,696	1,377,854	3.1	703,315	619,817	13.5	92,297	72,856	26.7	11,100	9,581	15.9	5	4
Kansas	1,576	1,650	1,320	1,547	1,140,894	1,068,672	6.8	723,918	647,680	11.8	78,130	57,704	38.5	8,238	7,127	15.6	5	4
Kentucky	2,058	2,353	1,892	2,121	1,547,016	1,552,609	(0.4)	752,806	669,842	12.4	96,077	74,814	28.8	11,559	9,682	19.4	6	4
Louisiana	1,934	2,148	1,720	1,976	1,552,367	1,537,673	1.0	802,672	715,863	12.1	90,619	78,061	16.1	10,937	10,436	4.8	6	5
Maine	673	695	613	642	551,516	388,839	42.6	819,489	559,481	46.5	37,505	20,980	78.8	3,961	2,909	36.2	6	4
Maryland	1,846	2,022	1,697	1,877	2,133,699	1,999,672	6.7	1,155,850	988,957	16.9	154,612	111,816	38.3	16,045	13,801	16.3	9	7
Massachusetts	2,738	3,902	2,541	2,963	2,516,762	2,318,660	8.5	919,197	594,223	54.7	173,734	116,426	49.2	18,077	16,662	8.5	7	4
Michigan	4,164	4,512	3,878	4,128	4,261,908	3,980,960	6.8	1,023,513	882,305	16.0	240,652	171,695	40.2	26,788	21,953	22.0	6	5
Minnesota	2,289	2,391	2,154	2,230	2,240,300	2,053,472	9.1	978,724	897,104	9.1	145,466	103,809	40.1	16,498	13,321	23.8	7	6
Mississippi	1,374	1,343	1,256	1,192	7,781,081	687,591	13.6	858,834	511,981	67.7	49,107	36,316	35.2	6,055	4,893	27.7	4	4
Missouri	3,119	3,185	2,884	3,944	2,731,085	2,228,484	22.6	869,857	699,681	24.3	175,691	117,632	49.4	19,103	14,608	30.8	5	5
Montana	548	569	493	522	403,140	387,615	4.0	735,657	681,221	8.0	25,769	21,201	21.5	2,985	2,864	4.2	5	5
Nebraska	1,163	1,200	1,077	1,129	786,392	743,238	5.8	676,175	619,635	9.1	54,480	39,206	39.0	6,043	5,158	17.2	5	4
Nevada	441	519	387	476	522,788	564,273	(7.4)	1,185,460	1,087,231	9.0	41,050	31,843	28.9	4,462	3,592	24.2	10	7
New Hampshire	534	595	499	548	491,116	397,902	23.4	919,693	668,743	37.5	33,148	20,184	64.2	3,335	2,695	23.7	6	5
New Jersey	3,791	4,530	3,433	4,159	3,140,306	3,157,557	(0.5)	828,358	697,032	18.8	213,755	162,362	31.7	22,607	20,014	13.0	6	4
New Mexico	696	854	644	770	639,911	613,590	4.3	919,412	718,489	28.0	39,822	31,647	25.8	4,510	4,159	8.4	6	5
New York	5,982	6,942	5,443	6,335	4,916,033	4,414,785	11.4	821,804	635,953	29.2	300,689	239,762	25.4	30,105	28,069	7.3	5	4
North Carolina	3,547	3,326	3,281	3,050	2,717,964	1,899,350	43.1	766,271	571,061	34.2	170,272	91,712	85.7	18,164	11,952	56.7	5	3
North Dakota	471	450	441	421	322,071	360,837	3.1	683,802	801,860	(14.7)	24,462	21,331	14.7	2,658	2,635	0.9	6	6
Ohio	5,362	6,450	4,990	5,907	4,925,010	5,309,070	(7.2)	918,502	823,112	11.6	289,710	236,958	22.3	33,703	30,740	9.6	6	5
Oklahoma	1,706	1,735	1,565	1,589	1,167,344	1,110,445	5.1	684,258	640,026	6.9	73,687	60,473	21.9	8,323	7,751	7.4	5	4
Oregon	1,352	1,655	1,201	1,492	1,043,593	1,106,679	(5.7)	787,617	668,588	17.8	67,601	58,665	15.2	8,958	7,590	18.0	7	5
Pennsylvania	5,192	6,263	4,842	5,781	4,403,251	4,272,225	3.1	848,084	682,137	24.3	271,263	207,647	30.6	31,979	29,580	8.1	6	5
Rhode Island	487	568			429,080	368,332	16.5	881,068	648,471	35.9	26,671	17,670	50.9	2,524	2,376	6.2	5	4
South Carolina	1,833	1,808	1,670	1,667	1,495,268	1,200,530	24.6	815,749	703,445	16.0	90,512	55,937	61.8	10,551	7,627	38.3	6	4
South Dakota	556	578	522	533	385,703	356,755	8.1	693,710	617,223	12.4	25,132	17,190	46.2	2,979	2,343	27.1	5	4
Tennessee	2,491	2,783	2,278	2,490	2,206,641	1,597,688	12.7	885,845	703,445	25.9	136,260	92,960	46.5	15,532	11,607	33.8	6	4
Texas	8,568	9,012	7,790	8,234	7,140,503	6,600,038	8.2	833,392	732,361	13.8	429,982	344,236	24.9	44,795	42,171	6.2	5	5
Utah	849	890	780	842	710,176	657,296	8.0	836,485	735,534	13.7	41,376	31,218	32.5	5,450	4,392	24.1	6	5
Vermont	369	397	343	359	268,569	217,379	23.5	727,829	547,554	32.9	18,432	12,339	49.4	1,941	1,731	12.1	5	4
Virginia	2,740	2,939	2,523	2,652	2,795,680	2,394,061	16.8	1,020,321	814,584	25.4	190,286	127,105	49.7	18,837	15,461	21.8	7	5
Washington	2,003	2,351	1,835	2,144	1,734,565	1,689,794	2.6	865,964	718,755	20.1	105,762	86,155	22.8	12,177	10,419	16.9	6	4
West Virginia	1,013	1,169	922	1,062	691,216	709,365	(2.6)	682,345	606,814	12.4	44,462	35,448	26.1	5,017	4,617	8.7	5	4
Wisconsin	2,735	2,896	2,581	2,701	2,282,355	2,110,502	8.1	834,499	728,765	14.5	139,510	103,685	34.6	16,760	13,921	20.4	6	5
Wyoming	415	459	384	430	305,008	398,618	(23.5)	734,959	868,448	(15.4)	22,064	22,842	(3.4)	2,363	2,475	(4.5)	6	5
TOTAL U.S.	114,748	126,688	105,561	116,188	101,997,440	94,718,664	7.7	889,882	747,771	18.9	6,413,692	4,768,497	34.5	701,690	603,886	16.2	6	5

(a) The U.S. Census Bureau makes a study of retail trades every five years. The data in this table were extracted by National Petroleum News from the state-by-state reports published in the spring, summer and fall of 1989. These are "true" service stations, which generate more than half of their revenues from the sale of gasoline and petroleum products—thus they do not include facilities at convenience stores, car washes, etc.; these are stations with payrolls and are comparable to the 1982 census reports. A special report on stations without payrolls i.e., "Mom and Pops," may be available late 1989 or early 1990.

(b) In the past, the Census Bureau counted only those stations in existence on Dec. 31. The 1987 census instituted a new count of all stations which had been in business in 1987, thus this, in effect, is the maximum number of stations in business at any one time in 1987; there may be some duplications, however, in stations which changed hands during the year and may have been counted twice or more; the Census Bureau says this new procedure will survive in future censuses and the year-end numbers will be dropped.

gasoline, diesel fuel other alcohol-enhanced fuels irregardless of what they're called. An East Coast tabulation, made by *National Petroleum News* last summer and based on official or semi-official totals provided by the various states, implied there may be twice as many retail outlets in business than most "guesstimates" account for [*NPN*—June '89, p13].

Where retail service stations are concerned, the government census-takers count only those stations that get 50% or more of their revenues from gasoline and petroleum products. This automatically eliminates convenience stores with gasoline pumps (of which there are an estimated 40,000 to 50,000), garages, car washes and mass merchandisers, to name a few exceptions.

U.S. Census Data: Fuel Oil and LPG Dealers with Payrolls—1987-1982[a]

Compiled by National Petroleum News

	Establishments				Dollar Sales (Add 000)			Dollar Sales Per Establishment			Annual Payroll ($) (Add 000)			No. of Employees			Average Per Est.	
	Variable Year-End						%			%			%			%		
	1987	1982	1987	1982	1987	1982	Chng.	1987	1982	Chng.	1987	1982	Chng.	1987	1982	Chng.	1987	1982
Alabama (total)	225	223	219	217	(x)	157,883	(x)	(x)	707,996	(x)	(x)	19,053	(x)	(x)	1,581	(x)	(x)	7
Fuel oil dealers	5	7	4	7	2,135	(x)	(x)	427,000	(x)	(x)	219	(x)	(x)	23	(x)	(x)	5	(x)
LPG dealers	212	199	207	193	157,355	148,868	1.7	713,844	748,080	4.6	25,629	18,320	39.9	1,622	1,497	8.4	8	8
Misc.*	8	17	8	17	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)
Alaska (total)	66	54	61	52	78,452	(x)	(x)	1,188,667	(x)	(x)	6,995	(x)	(x)	355	(x)	(x)	5	(x)
Fuel oil dealers	49	39	46	38	68,465	87,670	(21.9)	1,397,245	2,247,949	(37.8)	5,139	5,808	(11.5)	264	252	4.8	5	6
LPG dealers	16	12	14	12	(x)	13,302	(x)	(x)	1,108,500	(x)	(x)	1,391	(x)	(x)	80	(x)	(x)	(x)
Misc.*	1	3	1	2	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)
Arizona (total)	85	87	80	85	(x)	53,543		(x)	615,437	(x)	(x)	5,646	(x)	(x)	472	(x)	(x)	5
Fuel oil dealers	3	6	2	6	(x)	728		(x)	121,333	(x)	(x)	75	(x)	(x)	7	(x)	(x)	1
LPG dealers	77	69	74	68	66,791	50,979	31.0	867,416	738,826	17.4	9,186	5,276	74.1	559	442	26.5	7	6
Misc.*	5	12	4	11	2,103	1,836	14.5	420,600	153,000	175.0	350	295	18.6	33	23	43.5	7	2
Arkansas (total)	189	191	178	185	(x)	143,958	(x)	(x)	753,706	(x)	(x)	15,987	(x)	(x)	1,178	(x)	(x)	6
Fuel oil dealers	9	8	9	8	9,662	12,755	(24.2)	1,073,556	1,594,375	(32.7)	408	467	(12.6)	35	39	(10.3)	4	5
LPG dealers	173	176	162	170	84,997	130,211	(34.7)	491,312	739,835	(33.4)	14,015	15,338	(8.6)	891	1,119	(20.4)	5	6
Misc.*	7	7	7	7	(x)	(x)	(x)	(x)	(x)	(x)	(x)	182	(x)	(x)	(x)	(x)	(x)	(x)
California (total)	457	420	430	406	402,878	383,674	5.0	881,571	913,510	(3.5)	57,499	36,437	57.8	3,207	2,644	21.3	7	6
Fuel oil dealers	34	27	32	24	24,368	20,003	21.8	716,706	740,852	(3.3)	2,358	1,271	85.5	155	115	34.8	5	4
LPG dealers	346	326	324	319	363,539	351,729	3.4	1,050,691	1,078,923	(2.6)	52,657	33,043	59.4	2,830	2,276	24.3	8	7
Misc.*	77	67	74	63	14,971	11,946	25.3	194,429	178,299	9.0	2,484	2,123	17.0	222	253	(13.2)	3	4
Colorado (total)	133	136	125	123	(x)	76,995	(x)	(x)	566,140	(x)	(x)	6,943	(x)	(x)	566	(x)	(x)	4
Fuel oil dealers	9	9	9	8	5,714	3,111	83.7	634,889	345,667	83.7	889	189	370.4	42	19	121.1	5	2
LPG dealers	109	101	102	93	72,548	66,817	8.6	665,578	661,545	0.6	8,387	6,010	39.6	502	460	9.1	5	5
Misc.*	15	26	14	22	(x)	7,067	(x)	(x)	271,808	(x)	(x)	744	(x)	(x)	87	(x)	(x)	3
Connecticut (total)	435	444	418	423	(x)	868,989	(x)	(x)	1,957,182	(x)	(x)	71,061	(x)	(x)	3,943	(x)	(x)	9
Fuel oil dealers	379	383	367	366	744,029	816,994	(8.9)	1,963,137	2,133,143	(8.0)	95,522	63,825	49.7	4,339	3,538	22.6	11	9
LPG dealers	46	51	41	48	53,726	50,407	6.6	1,167,957	988,373	18.2	10,404	7,011	48.4	491	380	29.2	11	7
Misc.*	10	10	10	9	(x)	1,588	(x)	(x)	158,800	(x)	(x)	225	(x)	(x)	25	(x)	(x)	3
Delaware (total)	56	66	52	65	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)
Fuel oil dealers	47	51	39	51	119,641	106,702	12.3	2,549,809	2,092,196	21.9	8,392	6,196	3.2	411	440	(6.6)	9	9
LPG dealers	14	13	12	13	33,156	13,785	140.5	2,368,286	1,060,384	123.3	4,999	2,394	108.8	339	138	145.7	24	11
Misc.*	1	2	1	1	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)
District of Columbia (total)	10	14	8	10	44,222	55,735	(20.7)	4,422,200	3,980,071	11.1	4,623	4,579	1.0	212	212	–	21	15
Fuel oil dealers	9	13	8	9	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)
LPG dealers	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Misc.*	1	1	0	1	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)
Florida (total)	443	484	415	459	388,301	387,721	0.3	876,526	801,076	9.4	66,648	47,170	41.3	3,902	3,796	2.8	9	8
Fuel oil dealers	117	145	109	130	79,817	106,448	(25.0)	673,650	734,124	(8.2)	9,336	8,460	10.4	678	838	(19.1)	6	6
LPG dealers	300	314	283	305	302,631	274,511	10.2	1,008,770	874,239	15.4	55,783	37,848	47.4	3,109	2,874	8.2	10	9
Misc.*	26	25	23	24	5,853	6,292	(7.0)	225,115	251,680	(10.6)	1,529	862	77.4	115	84	36.9	4	3
Georgia (total)	336	305	317	296	237,116	222,000	6.8	705,702	727,869	(3.0)	38,216	25,005	52.8	2,274	1,939	17.3	7	6
Fuel oil dealers	14	16	20	15	15,460	21,491	(28.1)	644,167	1,343,188	(52.0)	2,129	1,041	104.5	175	104	68.3	7	7
LPG dealers	294	268	281	260	212,665	195,516	8.8	723,350	729,537	(0.9)	35,172	23,246	51.3	2,012	1,749	15.0	7	7
Misc.*	18	21	16	21	8,991	4,993	80.1	499,500	237,762	110.1	9,157	718	27.4	87	86	1.2	6	4
Hawaii (total)	8	8	8	8	(x)	795	(x)	(x)	99,375	(x)	(x)	135	(x)	(x)	13	(x)	(x)	2
Fuel oil dealers	3	1	3	1	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)
LPG dealers	3	5	3	5	(x)	682	(x)	(x)	227,333	(x)	(x)	123	(x)	(x)	10	(x)	(x)	12
Misc.*	2	2	2	2	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)
Idaho (total)	65	56	60	55	(x)	43,510	(x)	(x)	776,964	(x)	(x)	4,057	(x)	(x)	341	(x)	(x)	6
Fuel oil dealers	8	12	7	12	8,458	4,991	69.5	1,057,250	415,917	154.2	934	365	155.9	83	56	48.2	10	5
LPG dealers	45	35	42	35	33,417	35,007	(4.5)	742,600	1,000,200	(25.8)	4,604	3,489	32.0	312	269	16.0	7	8
Misc.*	12	9	11	8	(x)	3,512	(x)	(x)	390,222	(x)	(x)	203	(x)	(x)	16	(x)	(x)	2

In the 1982 census, the government unintentionally limited its survey to stations with payrolls. This killed off the data for all of the smaller stations, mostly family owned and operated. There are about 10,000 or so of these still in existence.

The 1987 census utilized the same format, i.e., only stations with payrolls. But it went a step further too. It came up with two totals in 1987—one the traditional, end-of-the-year population count, and the other sort of a peak count which, in substance, was the highest total at any given time. This then is not only a floating figure that will take only peak periods into consideration but would walk away from the Dec. 31 cutoff date for calendar year numbers. There is a big difference. For example, California is credited

U.S. Census Data: Fuel Oil and LPG Dealers with Payrolls—1987-1982[a] (Cont.)

Compiled by National Petroleum News

	Establishments				Dollar Sales (Add 000)			Dollar Sales Per Establishment			Annual Payroll ($) (Add 000)			No. of Employees			Average Per Est.	
	Variable Year-End						%			%			%			%		
	1987	1982	1987	1982	1987	1982	Chng.	1987	1982	Chng.	1987	1982	Chng.	1987	1982	Chng.	1987	1982
Illinois (total)	310	333	293	323	219,337	314,120	(30.2)	707,536	943,303	(25.0)	30,677	26,431	16.1	1,754	1,718	2.1	6	5
Fuel oil dealers	69	91	61	87	72,335	135,181	(46.8)	1,048,333	1,493,198	(29.8)	6,980	6,146	13.8	404	390	3.6	6	4
LPG dealers	224	221	217	215	143,955	171,948	(16.3)	615,192	778,045	(26.5)	23,139	19,206	20.5	1,301	1,244	4.6	4	6
Misc.*	17	21	15	21	3,086	6,291	(50.9)	181,588	299,571	9.4	557	1,079	(48.4)	49	84	(41.7)	3	4
Indiana (total)	277	321	271	308	(x)	290,803	(x)	(x)	905,928	(x)	(x)	25,413	(x)	(x)	1,798	(x)	(x)	6
Fuel oil dealers	59	94	57	89	44,889	177,856	(61.9)	760,831	1,892,085	(59.8)	3,467	8,383	(45.8)	264	492	(46.3)	4	5
LPG dealers	205	207	202	201	131,143	169,262	(22.5)	639,722	817,691	(21.8)	19,374	18,492	4.8	1,161	1,233	(5.8)	6	6
Misc.*	13	20	12	18	(x)	3,685	(x)	(x)	184,250	(x)	(x)	538	(x)	(x)	73	(x)	(x)	4
Iowa (total)	250	248	234	240	(x)	200,921	(x)	(x)	810,165	(x)	(x)	16,438	(x)	(x)	1,096	(x)	(x)	4
Fuel oil dealers	47	51	42	48	23,269	45,232	(48.6)	495,085	886,902	(44.1)	1,867	2,797	(33.2)	169	199	(15.0)	4	4
LPG dealers	201	192	190	188	98,446	(x)	(x)	489,781	(x)	(x)	13,986	(x)	(x)	882	(x)	(x)	4	(x)
Misc.*	2	5	2	4	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)
Kansas (total)	131	124	125	119	64,378	77,823	(16.5)	496,015	627,605	(21.0)	7,928	8,370	(5.3)	572	679	(15.8)	4	5
Fuel oil dealers	22	19	20	19	(x)	13,729	(x)	(x)	722,579	(x)	(x)	925	(x)	(x)	79	(x)	(x)	4
LPG dealers	100	96	96	91	51,608	62,494	(17.4)	516,080	650,979	(20.7)	6,709	7,066	(5.1)	458	573	(20.1)	5	6
Misc.*	9	9	9	9	(x)	1,600	(x)	(x)	177,777	(x)	(x)	379	(x)	(x)	27	(x)	(x)	3
Kentucky (total)	172	188	151	176	(x)	111,642	(x)	(x)	593,840	(x)	(x)	12,182	(x)	(x)	933	(x)	(x)	5
Fuel oil dealers	28	36	27	31	20,090	17,290	16.2	717,500	480,278	49.4	1,382	1,062	30.1	126	107	17.8	5	3
LPG dealers	122	122	108	119	77,005	85,932	(10.4)	631,189	704,361	(10.4)	12,096	9,969	21.3	738	727	1.5	6	6
Misc.*	22	30	16	26	(x)	8,420	(x)	(x)	280,667	(x)	(x)	1,151	(x)	(x)	99	(x)	(x)	3
Louisiana (total)	123	125	115	115	(x)	69,674	(x)	(x)	557,392	(x)	(x)	8,824	(x)	(x)	763	(x)	(x)	6
Fuel oil dealers	8	11	8	9	2,591	8,586	(69.8)	332,875	780,545	(57.4)	337	1,190	(71.7)	31	95	(67.4)	4	9
LPG dealers	106	97	101	91	51,074	59,253	(13.8)	480,830	610,856	(21.1)	9,830	7,369	33.4	643	677	2.6	6	6
Misc.*	9	17	7	15	(x)	1,835	(x)	(x)	107,941	(x)	(x)	265	(x)	(x)	41	(x)	(x)	2
Maine (total)	245	268	232	248	321,429	382,169	(15.9)	1,311,955	1,426,004	(8.0)	35,079	24,588	42.7	2,125	1,967	8.0	9	7
Fuel oil dealers	192	214	185	199	290,703	355,787	(18.3)	1,514,078	1,662,556	(8.9)	30,573	21,593	41.6	1,854	1,709	8.5	10	8
LPG dealers	36	36	34	34	27,727	23,848	16.3	770,194	662,444	16.3	3,988	2,633	51.5	212	202	5.0	6	6
Misc.*	17	18	13	15	2,999	2,538	18.3	176,412	141,000	25.1	518	362	43.1	59	46	28.3	3	3
Maryland (total)	192	207	176	212	385,599	437,847	(11.9)	2,008,328	2,115,203	(5.0)	49,134	34,219	43.6	2,558	2,407	6.3	13	12
Fuel oil dealers	124	135	113	130	291,312	373,191	(21.9)	2,349,290	2,764,378	(15.0)	34,115	25,764	32.4	1,757	1,782	(1.4)	14	13
LPG dealers	55	61	53	61	92,376	63,709	45.0	1,679,564	1,044,410	60.1	14,649	8,301	77.1	761	605	25.8	14	10
Misc.	13	11	10	11	1,911	947	101.8	147,000	86,091	70.7	320	154	107.8	40	20	100.0	3	2
Massachusetts (total)	825	888	780	862	(x)	1,397,027	(x)	(x)	1,573,229	(x)	(x)	109,904	(x)	(x)	6,905	(x)	(x)	8
Fuel oil dealers	743	804	704	780	1,055,062	1,338,139	(21.2)	1,420,003	1,664,352	(14.7)	139,666	102,277	36.6	6,678	6,425	3.9	9	8
LPG dealers	65	61	61	60	74,613	52,603	41.8	1,147,892	862,344	33.1	11,551	6,818	69.4	594	405	46.7	9	7
Misc.*	17	23	15	22	(x)	6,285	(x)	(x)	273,261	(x)	(x)	809	(x)	(x)	75	(x)	(x)	3
Michigan (total)	335	332	337	323	(x)	358,217	(x)	(x)	1,078,967	(x)	(x)	29,498	(x)	(x)	2,216	(x)	(x)	7
Fuel oil dealers	136	137	124	133	158,857	178,779	(11.1)	1,168,066	1,304,956	(10.5)	12,236	10,597	15.5	748	1,008	(25.8)	6	7
LPG dealers	263	180	199	177	208,742	177,724	17.9	1,028,286	987,356	4.1	26,851	18,624	44.2	1,503	1,170	28.5	7	7
Misc.*	16	15	14	13	(x)	2,314	(x)	(x)	154,267	(x)	(x)	277	(x)	(x)	38	(x)	(x)	3
Minnesota (total)	236	287	222	236	(x)	274,090	(x)	(x)	955,017	(x)	(x)	23,403	(x)	(x)	1,512	(x)	(x)	5
Fuel oil dealers	91	106	85	96	120,309	138,749	(13.3)	1,322,077	1,308,953	1.0	9,208	7,665	20.1	663	635	4.4	7	6
LPG dealers	139	156	132	135	(x)	133,319	(x)	(x)	859,609	(x)	(x)	15,390	(x)	(x)	847	(x)	(x)	5
Misc.*	6	5	5	5	(x)	2,022	(x)	(x)	404,400	(x)	(x)	348	(x)	(x)	30	(x)	(x)	5
Mississippi (total)	200	184	194	178	(x)	148,074	(x)	(x)	804,750	(x)	(x)	17,549	(x)	(x)	1,406	(x)	(x)	7
Fuel oil dealers	5	9	5	9	(x)	2,616	(x)	(x)	290,667	(x)	(x)	201	(x)	(x)	28	(x)	(x)	3
LPG dealers	190	170	184	164	144,799	144,802	–	762,100	851,776	(10.5)	23,165	17,303	33.9	1,497	1,370	9.3	8	8
Misc.*	5	5	5	5	(x)	656	(x)	(x)	130,200	(x)	(x)	45	(x)	(x)	8	(x)	(x)	2
Missouri (total)	453	459	437	430	241,631	250,858	(3.7)	533,402	546,532	(2.4)	30,296	23,619	31.1	2,289	2,009	13.9	5	4
Fuel oil dealers	39	41	36	40	(x)	30,850	(x)	(x)	752,439	(x)	(x)	(xx)	(x)	(x)	157	(x)	(x)	4
LPG dealers	406	410	393	384	196,021	218,729	(10.8)	482,810	533,485	(9.5)	27,521	21,883	25.8	1,842	1,813	1.6	5	4
Misc.*	8	8	8	6	(x)	1,279	(x)	(x)	159,875	(x)	(x)	245	(x)	(x)	39	(x)[1]	(x)	5

in the variable format with 9,812 service stations in 1987. The year-end count is vastly different—9,127 stations in business on Dec. 31. That's a difference of 685 stations, or 7.0% of the variable total.

Like their gasoline brethren, fuel oil dealers showed almost startling changes in their statistics.

The variable population declined 8.7% to 5,816 establishments while the year-end count dropped 8.4% to 5,511. Here again the difference is substantial between the variable total and the year-end total--305 establishments. That's almost as many as there are in the entire state of Connecticut. On a national basis, retail dealer sales were $9.3-billion. This was an abrupt decline of 21% from the $11.8-billion worth in 1982. On a per

U.S. Census Data: Fuel Oil and LPG Dealers with Payrolls—1987-1982[a] (Cont.)

Compiled by National Petroleum News

	Establishments				Dollar Sales (Add 000)			Dollar Sales Per Establishment			Annual Payroll ($) (Add 000)			No. of Employees			Average Per Est.	
	Variable Year-End						%			%			%			%		
	1987	1982	1987	1982	1987	1982	Chng.	1987	1982	Chng.	1987	1982	Chng.	1987	1982	Chng.	1987	1982
Montana (total)	62	55	55	52	(x)	22,459	(x)	(x)	408,345	(x)	(x)	2,247	(x)	(x)	191	(x)	(x)	3
Fuel oil dealers	6	8	4	8	(x)	2,482	(x)	(x)	310,250	(x)	(x)	189	(x)	(x)	17	(x)	(x)	2
LPG dealers	53	42	49	39	23,032	19,621	17.4	434,566	467,167	(7.0)	3,697	1,965	88.1	237	156	5.0	4	4
Misc.*	3	5	2	5	(x)	356	(x)	(x)	71,200	(x)	(x)	93	(x)	(x)	16	(x)	3	3
Nebraska (total)	126	113	121	109	(x)	77,994	(x)	(x)	690,212	(x)	(x)	6,897	(x)	(x)	555	(x)	(x)	5
Fuel oil dealers	19	18	17	16	13,289	15,632	(15.0)	699,421	868,444	(19.5)	990	817	21.2	92	86	6.5	5	5
LPG dealers	103	89	100	87	43,504	59,073	(26.4)	422,369	663,742	(36.3)	6,305	5,662	11.4	420	425	(1.2)	4	5
Misc.*	4	6	4	6	(x)	3,289	(x)	(x)	411,125	(x)	(x)	418	(x)	(x)	44	(x)	(x)	6
Nevada (total)	47	41	44	41	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)
Fuel oil dealers	8	7	7	7	10,218	16,038	(36.3)	1,277,250	2,291,143	(44.3)	1,631	1,476	10.5	77	76	1.3	10	11
LPG dealers	32	30	32	30	26,138	27,392	2.7	879,313	913,067	(3.7)	4,256	2,931	45.3	247	244	1.2	8	8
Misc.*	7	4	5	4	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)
New Hampshire (total)	175	201	163	186	(x)	283,641	(x)	(x)	1,411,149	(x)	(x)	24,809	(x)	(x)	1,786	(x)	(x)	9
Fuel oil dealers	136	154	125	141	227,213	248,757	(8.7)	1,670,684	1,615,305	3.4	27,807	20,668	34.5	1,475	1,500	(1.7)	11	10
LPG dealers	24	34	24	32	40,908	33,292	22.9	1,704,500	979,176	74.1	7,130	3,913	82.2	293	261	12.3	12	8
Misc.*	15	13	14	13	(x)	1,592	(x)	(x)	122,462	(x)	(x)	228	(x)	(x)	25	(x)	(x)	2
New Jersey (total)	568	619	534	597	992,959	1,236,038	(19.7)	1,748,167	1,996,830	(12.5)	130,109	99,169	31.2	5,928	5,781	2.5	10	9
Fuel oil dealers	501	550	470	531	909,097	1,161,502	(21.7)	1,814,565	2,111,822	(14.1)	116,194	89,636	29.6	5,273	5,209	1.2	11	9
LPG dealers	54	58	51	55	(x)	72,247	(x)	(x)	1,245,638	(x)	(x)	9,340	(x)	(x)	562	(x)	(x)	10
Misc.*	13	11	13	11	(x)	2,289	(x)	(x)	208,091	(x)	(x)	193	(x)	(x)	10	(x)	(x)	1
New Mexico (total)	99	85	97	83	(x)	43,379	(x)	(x)	541,341	(x)	(x)	4,423	(x)	(x)	382	(x)	(x)	4
Fuel oil dealers	3	1	3	1	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)
LPG dealers	89	80	87	78	53,470	42,562	25.6	600,787	532,025	12.9	7,163	4,179	71.4	493	361	36.6	6	5
Misc.*	7	4	7	4	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)
New York (total)	1,229	1,295	1,175	1,232	2,316,331	3,037,837	(23.8)	1,884,728	2,345,820	(19.7)	294,435	233,347	26.2	13,179	12,754	3.3	11	10
Fuel oil dealers	994	1,054	953	1,001	2,098,451	2,847,063	(26.3)	2,111,118	2,701,198	(21.8)	255,558	207,613	23.1	11,290	11,047	3.3	11	10
LPG dealers	206	201	195	194	205,332	171,727	19.6	996,757	854,363	16.7	36,798	23,576	56.1	1,770	1,496	18.3	9	7
Misc.*	29	40	27	37	12,548	19,047	(34.1)	432,690	476,175	(9.1)	2,079	2,158	(3.7)	119	212	(43.9)	4	5
North Carolina (total)	457	712	436	483	(x)	404,090	(x)	(x)	567,542	(x)	(x)	33,461	(x)	(x)	2,878	(x)	(x)	4
Fuel oil dealers	230	265	220	256	240,005	241,008	(0.4)	1,043,500	909,766	14.7	19,895	15,353	29.6	1,323	1,309	1.1	6	5
LPG dealers	214	219	206	202	192,047	154,869	24.0	897,416	760,164	26.9	28,799	17,135	68.0	1,666	1,437	15.9	8	7
Misc.*	13	28	10	25	(x)	8,133	(x)	(x)	290,464	(x)	(x)	973	(x)	(x)	132	(x)	(x)	5
North Dakota (total)	94	73	87	63	50,155	52,704	(3.9)	533,564	715,123	(25.5)	4,880	3,284	48.6	328	256	28.1	3	7
Fuel oil dealers	34	36	33	32	30,341	36,348	(16.5)	892,382	1,009,667	(11.6)	2,110	1,729	22.0	130	143	(9.0)	2	4
LPG dealers	58	36	52	30	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)
Misc.*	2	1	2	1	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)
Ohio (total)	333	332	319	316	(x)	321,204	(x)	(x)	968,988	(x)	(x)	26,888	(x)	(x)	1,840	(x)	(x)	6
Fuel oil dealers	136	137	128	128	148,627	151,933	(2.2)	1,092,846	1,109,000	(1.5)	10,675	7,854	35.9	755	584	29.3	6	4
LPG dealers	176	163	171	159	169,927	162,616	4.5	954,646	997,644	(4.3)	25,129	18,308	37.3	1,240	1,180	5.1	7	7
Misc.*	21	32	20	29	(x)	6,655	(x)	(x)	207,969	(x)	(x)	726	(x)	(x)	76	(x)	(x)	2
Oklahoma (total)	197	179	187	166	82,188	86,632	(5.1)	417,198	483,978	(13.8)	10,561	8,780	20.3	832	733	13.5	4	4
Fuel oil dealers	28	20	25	17	(x)	6,485	(x)	(x)	324,250	(x)	(x)	560	(x)	(x)	45	(x)	(x)	2
LPG dealers	164	154	158	145	67,012	79,496	(15.7)	408,610	516,208	(20.1)	9,241	8,121	13.8	718	670	7.2	4	4
Misc.*	5	5	4	4	(x)	651	(x)	(x)	130,200	(x)	(x)	99	(x)	(x)	18	(x)	(x)	4
Oregon (total)	115	128	107	120	112,861	168,733	(33.1)	981,400	1,318,227	(25.6)	11,752	13,642	(13.9)	758	952	(20.0)	7	7
Fuel oil dealers	49	67	44	61	75,482	132,054	(42.8)	1,540,449	1,971,030	(21.8)	6,925	9,868	(29.8)	440	681	(35.4)	9	10
LPG dealers	49	45	47	44	34,708	32,493	6.8	708,327	722,067	(1.9)	4,388	3,144	39.6	276	224	23.2	6	5
Misc.*	17	16	16	15	2,671	4,221	(36.7)	157,118	263,813	(40.4)	439	630	30.3	42	47	10.6	2	3
Pennsylvania (total)	834	870	801	844	1,355,420	1,589,201	(14.7)	1,625,204	1,826,668	(11.0)	151,166	114,250	32.3	7,890	7,814	1.0	9	9
Fuel oil dealers	598	613	581	597	1,187,005	1,400,818	(15.3)	1,984,958	2,285,184	(13.1)	128,169	91,958	37.2	6,500	6,238	4.2	11	10
LPG dealers	166	175	157	169	150,023	140,168	7.0	903,753	800,960	12.8	23,004	19,176	20.0	1,211	1,289	1.0	7	7
Misc.*	70	82	63	78	18,392	48,415	(62.0)	262,743	590,427	(55.5)	1,993	3,116	(36.0)	179	287	(37.6)	3	4

establishment basis, the average was $1.1-million versus $1.8-million in 1982.

The LPG industry bucked the industry's down trend by racking up increases virtually across the board. The variable population in 1987 was 6,378, up 4.3% while the year-end total was 6,073, an increase of 3.0%. Total sales were $4.8-billion, almost even-stephen with 1982. The negative difference was only seven-tenths of 1%. LPG payroll totals showed a 37.1% increase in 187 vis-à-vis 1982, compared with the combined fuel oil and LPG average of 30.6%.

Copies of the various state and national reports may be obtained from the Bureau of the Census, Department of Commerce in Washington. The last of the reports was released at the end of September.

U.S. Census Data: Fuel Oil and LPG Dealers with Payrolls—1987-1982[a] (Cont.) Compiled by National Petroleum News

	Establishments Variable Year-End				Dollar Sales (Add 000)			Per Establishment			Annual Payroll ($) (Add 000)			No. of Employees			Average Per Est.	
	1987	1982	1987	1982	1987	1982	% Chng.	1987	1982	% Chng.	1987	1982	% Chng.	1987	1982	% Chng.	1987	1982
Rhode Island (total)	151	177	145	169	182,170	258,396	(29.5)	1,206,428	1,459,864	(17.4)	26,809	20,292	32.1	1,445	1,368	5.6	10	8
Fuel oil dealers	137	157	131	150	170,201	243,056	(30.0)	1,242,343	1,548,127	(19.8)	24,913	18,600	33.9	1,352	1,247	8.4	10	8
LPG dealers	12	12	12	12	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)
Misc.*	2	8	2	7	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)
South Carolina (total)	199	215	189	202	(x)	168,645	(x)	(x)	784,395	(x)	(x)	16,099	(x)	(x)	1,342	(x)	(x)	6
Fuel oil dealers	74	83	69	80	57,689	79,529	(27.5)	779,581	950,181	(18.6)	4,873	4,063	19.9	394	392	—	5	5
LPG dealers	114	122	112	113	96,745	87,805	10.4	848,640	719,713	(17.9)	17,109	11,685	46.4	705	918	(1.4)	8	8
Misc.*	11	10	8	9	(x)	1,511	(x)	(x)	151,100	(x)	(x)	352	(x)	(x)	32	(x)	(x)	3
South Dakota (total)	82	86	79	76	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)
Fuel oil dealers	25	27	25	25	20,647	17,788	16.1	825,880	656,815	25.4	1,225	1,066	14.9	111	110	0.0	4	4
LPG dealers	56	56	53	48	22,609	33,041	(31.6)	403,732	590,018	(31.6)	3,297	2,674	23.3	241	224	7.6	4	4
Misc.*	1	3	1	3	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)
Tennessee (total)	136	153	129	143	80,525	111,305	(27.7)	592,118	727,484	(18.6)	12,124	9,887	22.6	741	792	(6.4)	5	5
Fuel oil dealers	11	17	11	15	9,392	16,577	(43.3)	853,818	975,118	(12.4)	654	758	(13.7)	52	79	(34.2)	5	5
LPG dealers	107	109	102	102	67,349	77,215	(12.8)	629,430	708,394	(11.1)	16,787	7,498	43.9	612	582	5.2	6	5
Misc.*	18	27	16	26	3,787	17,513	(78.4)	210,389	648,630	(67.6)	684	1,631	(58.1)	77	131	41.2	4	5
Texas (total)	638	604	598	574	379,756	458,627	(17.2)	595,229	759,316	(21.6)	59,416	45,584	30.3	3,820	3,501	9.1	6	6
Fuel oil dealers	52	61	50	51	58,114	68,409	(15.0)	1,117,577	1,129,574	(1.1)	4,424	3,230	37.0	290	234	23.9	6	4
LPG dealers	537	494	506	479	308,942	374,179	(17.4)	575,311	757,447	(24.0)	53,040	40,425	31.2	3,320	3,064	8.4	6	6
Misc.*	49	49	42	44	12,700	16,039	(20.8)	259,184	327,327	(20.8)	1,952	1,929	1.2	210	203	3.4	4	4
Utah (total)	55	50	43	46	(x)	43,289	(x)	(x)	(x)	(x)	(x)	3,418	(x)	(x)	259	(x)	(x)	5
Fuel oil dealers	5	12	4	10	(x)	20,149	(x)	(x)	(x)	(x)	(x)	930	(x)	(x)	68	(x)	(x)	6
LPG dealers	45	30	34	28	22,173	21,344	3.9	492,733	711,467	(30.7)	3,288	2,218	48.2	272	167	62.9	6	6
Misc.*	5	8	5	8	1,162	1,796	(35.3)	232,400	224,500	3.5	137	270	(50.5)	16	24	33.3	3	3
Vermont (total)	126	148	118	142	172,757	166,885	3.5	1,371,087	1,127,601	21.6	21,312	13,551	57.3	1,139	1,027	10.9	8	7
Fuel oil dealers	90	96	85	92	146,089	140,208	4.2	1,632,211	1,460,500	11.8	16,738	10,375	61.3	871	752	15.8	10	8
LPG dealers	29	41	27	40	25,883	25,557	1.3	892,517	623,341	43.2	4,471	3,044	46.9	255	256	—	9	6
Misc.*	7	11	6	10	785	1,120	(29.9)	112,148	101,818	10.1	103	132	(22.0)	13	19	(3.2)	2	2
Virginia (total)	317	376	299	353	455,091	524,994	(13.3)	1,435,618	1,396,261	2.8	53,776	43,319	24.1	3,168	3,184	0.0	10	8
Fuel oil dealers	187	219	180	206	333,033	417,526	(20.2)	1,780,925	1,906,511	(6.6)	35,025	29,297	19.6	2,118	2,105	0.0	11	10
LPG dealers	97	105	89	98	115,789	86,678	33.6	1,193,701	825,505	44.6	17,570	11,567	51.9	918	834	10.1	9	8
Misc.*	33	52	30	49	6,289	20,790	(69.7)	190,576	399,808	(52.3)	1,181	2,455	(51.9)	132	245	(46.1)	4	5
Washington (total)	166	203	161	195	151,961	246,656	(38.4)	915,428	1,215,054	(24.7)	22,311	22,896	(2.6)	1,157	1,360	(14.9)	10	7
Fuel oil dealers	83	123	82	117	107,677	192,617	(44.1)	1,297,313	1,565,992	(17.2)	16,117	17,437	(7.6)	782	926	(15.6)	9	8
LPG dealers	63	64	59	63	39,774	49,677	(19.9)	631,333	776,203	(18.7)	5,307	4,475	18.6	306	355	(13.8)	5	6
Misc.*	20	16	20	15	4,510	4,362	3.4	225,500	272,625	(17.3)	887	984	(9.9)	69	79	(12.7)	3	5
West Virginia (total)	44	49	43	45	(x)	42,199	(x)	(x)	861,204	(x)	(x)	4,222	(x)	(x)	332	(x)	(x)	7
Fuel oil dealers	14	15	13	14	(x)	16,719	(x)	(x)	1,114,600	(x)	(x)	868	(x)	(x)	70	(x)	(x)	5
LPG dealers	25	28	25	27	16,127	15,693	2.8	645,080	560,464	15.1	2,512	2,082	20.7	150	180	(16.7)	6	6
Misc.*	5	6	5	4	(x)	9,787	(x)	(x)	1,631,167	(x)	(x)	1,272	(x)	(x)	82	(x)	(x)	14
Wisconsin (total)	318	320	295	313	(x)	418,750	(x)	(x)	1,308,594	(x)	(x)	30,119	(x)	(x)	2,069	(x)	(x)	6
Fuel oil dealers	140	160	126	157	149,604	279,046	(46.4)	1,068,600	1,744,038	(38.7)	11,794	14,845	(20.6)	798	1,056	(24.4)	6	7
LPG dealers	165	151	158	147	116,129	138,726	(16.3)	703,812	918,715	(23.4)	19,343	15,141	27.8	1,124	991	13.4	7	7
Misc.*	13	9	11	9	(x)	978	(x)	(x)	108,667	(x)	(x)	133	(x)	(x)	22	(x)	(x)	2
Wyoming (total)	63	46	62	43	26,323	28,144	(6.4)	417,825	611,826	(31.7)	4,293	3,007	42.8	275	245	12.2	4	5
Fuel oil dealers	3	3	3	3	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)
LPG dealers	53	39	52	36	21,251	24,851	(14.5)	419,830	637,205	(34.1)	3,629	2,746	32.2	229	219	4.6	4	6
Misc.*	7	4	7	4	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)	(x)
Total U.S.	12,908	13,362	12,226	12,737	14,249,693	16,817,557	(15.3)	1,103,943	1,258,611	(12.3)	1,834,191	1,404,806	30.6	99,618	95,092	4.8	8	7
Total Fuel oil only	5,816	6,368	5,511	6,061	9,294,115	11,754,264	(20.9)	1,598,025	1,845,833	(13.4)	1,059,034	830,123	27.6	54,035	52,754	2.8	9	8
Total LPG only	6,378	6,115	6,073	5,898	4,769,309	4,804,521	(0.7)	747,775	785,694	(4.8)	745,963	543,913	37.1	43,045	39,292	9.6	7	6
Misc. Total	714	839	642	778	186,269	259,172	(28.1)	260,880	308,906	(15.5)	29,914	36,770	(5.1)	2,538	3,046	(16.7)	4	4

x – Withheld to avoid disclosing data for individual companies or for other reasons. * – Includes fuel oil and ice dealers not classified elsewhere.

The top 10 states in the gasoline categories, using the variable totals, are: California, 9,812; Texas, 8,568; New York, 5,982; Florida, 5,933; Ohio, 5,362; Pennsylvania, 5,192; Illinois, 4,655; Michigan, 4,164; New Jersey, 3,791; and North Carolina, 3,547.

For the fuel oil category, the top 10 states are: New York, 994; Massachusetts, 743; Pennsylvania, 598; New Jersey, 501; Connecticut, 379; North Carolina, 230; Maine, 192; Virginia, 187; Wisconsin, 140; and Rhode Island, 137.

For LPG group, the numbers are: Texas, 537; Missouri, 406; California, 346; Florida, 300; Georgia, 294; Illinois, 234; North Carolina, 214; Alabama, 212; New York, 206; and Indiana, 205.

How Franchisee Management Moved Gascard From Bankruptcy To The Comeback Trail

Gascard is back. The high-profile fleet fueling network, whose ambitious attempts to build a nationwide chain of commercial fueling sites fell apart in the spring of 1988, has emerged from Chapter 11 to turn a profit for three consecutive months this summer.

Some observers say that the commercial fleet fueling industry has benefited as jobber confidence in the concept of fleet fueling has risen along with Gascard's rebound.

The numbers tell the story clearly. Just one year after filing for bankruptcy, Gascard boasts a 19% increase in gasoline sold and a 33% increase in transaction volume.

For the months of May, June and July of this year, Gascard's gasoline volume averaged $10.5-million/mo., with roughly 150,000 vehicles/mo. using the system.

As of the first of August, the network, which electronically authorizes gasoline sales for commercial vehicles, had 1,702 fueling locations (1,000 being ARCO card-accepting outlets) and 127 franchisees in 37 states.

Actual profit figures for those months were: $5,000 in June; $24,000 in July and $29,000-30,000 in August.

After bankruptcy, Gascard kept the bulk of its original franchisees and has since taken on 11 more, the company says.

"It has been a rollercoaster, no question" says Tom Jewel, president of Gascard, who was witness to the company's hopeful beginnings, eventual Chapter 11 filing and recent rebirth.

Gascard's dramatic turnaround comes as little surprise to many observers. Following bankruptcy, the company underwent a complete overhaul, scaling back grand marketing strategies, high fees and what some felt were arrogant philosophies.

A year and a half ago, Gascard—the nation's first and largest commercial fueling network— was a different story. Plagued by jobber lawsuits, ill-fated marketing schemes and sky-high operation costs, the company was in a financial tailspin. By the time it filed for bankruptcy, Gascard was $20-million in debt and monthly losses were averaging $300,000, the company says.

Gascard franchisees, mostly jobbers altogether new to the commercial fleet business, were kept in the dark, stymied by sudden decisions at the corporate level to stop recommending customer card fees and by empty promises for marketing support.

Frustration turned to anger; anger turned into lawsuits—about a dozen by one official's recollection.

Linda Grillo, employee at Franchisee Peterboro Oil Co.'s Mr. Mike's Mini Mart in Fitchburg, Mass. assists a customer as he uses his GASCARD card at this PATT-II location.

Litigation and debt mounted. Company leaders returned to their initial investors for more money. When that funding ran out, Gascard made a public offering in 1987, which raised $5-million.

Still, losses continued. "It's been a feast or famine (situation)," Jewel says.

Faced with mounting expenses and low company morale in the spring of 1988, Gascard called in 15 of its own jobber franchisees to pull the company out of its downward spiral.

A group of five franchisees came in as capital investors and took Gascard through bankruptcy proceedings. In the months that followed, the jobber group trimmed budgets, cut costs and relocated its suburban San Diego headquarters, all of which trimmed Gascard down to a leaner, meaner organization—one without the lofty visions of what they could do, say observers.

According to Gascard officials, the company operated as the kind of giant corporation that it planned to be in the future instead of what it really was: a struggling, rapidly-growing network frustrated by mounting operating costs and stagnant cash flow.

As one Kentucky franchisee put it: "Gascard ran itself as the company it wanted to be. But that's like buying a ticket to Mars, you're spending money on something that doesn't exist yet."

Lean and trim

The five franchisees which invested in the company and guided it through bankruptcy proceedings reviewed major aspects of the network's operation and cut operating costs, telecommunication costs and both jobber franchise and transaction fees.

"It's not so much that a group of guys wearing white hats came in to save Gascard," says one franchisee from Michigan. "The franchisees who took over Gascard were just good businessmen."

The highest cuts in Gascard's turnaround have come in telecommunication costs. The franchisees replaced Gascard's old system, which processed all transactions through its California office, with one that processed most transactions on-site. As a result, telecommunication costs were cut by 60%.

In other major cost-cutting efforts, the company moved its headquarters from its $75,000/mo. "Taj Mahal" offices overlooking the Torrey Pines Golf Course and the Pacific Ocean to its more frugal $10,000/mo. space about 20 miles away.

Gascard also cut its staff by more than half. "We knew it wasn't going to be easy, but we had to let a bunch of people go," says a Gascard official.

By Angel Abcede
Contributing Correspondent

GASCARD Board of Directors (from left to right). Stewart Spinks; R. Keith Moore—vice chairman & CEO; Larry Bull (seated); Lindsay Holland—chairman and executive vice president; Thomas Jewell—president & chief operating officer; Steve Draizin (seated); and J.L. Davis.

The company also changed in a more fundamental way. Andre Hansen, who joined Gascard as a technical field engineer in 1984 and is now director of customer services, says attitudes toward spending have shifted dramatically. Where once money went to building a successful image—big offices, big entertainment budgets for its sales staff—today the focus is on cost cutting.

"Employees are more conscious of cost saving today," Hansen says. "The corporate philosophy used to be that we're going to be a major corporation and that's what we're going to look like. Today, it's more like let's see what we can do about doing what we do best."

Sweetening the deal

With the franchisee takeover, Gascard became more attuned not only to internal cost-saving measures, but to the cost of its product to its franchisees.

One-time franchise fees were cut. Before the franchisees took over, a one-mile radius territory (Gascard originally packaged franchises by distance; now it sells franchises by population) would cost $15,500. Today, a territory with a population area of 25,000 would cost just $750, and more significantly, a territory with a population area of between 250,000-500,000 would only cost $5,000. In the past, franchisees could easily pay $100,000 in franchise fees for a single site, Jewel says. Not today.

Equipment fees were slashed. In the old days, Gascard made a significant margin on hardware. One official estimates as much as 50%. Today, Gascard officials sell the equipment with the philosophy that providing the necessary hardware is more of a service than a profit center.

Equipment costs for the fully-automated location used to run as much as $16,500 per site. Today the price is more like $10,500. In-store equipment used to be $2,495 per site. Today the price is $1,975 and with quantity discounts lowering the price to $1,501, Jewel says.

On the issue of "foreign" purchases, Gascard increased the percentage a jobber makes when one of his customers buys gasoline at another franchisee's location.

Briefly, each time a commercial vehicle travels beyond a franchisee's territory and fills up at a different Gascard franchisee location, the jobber who signed up that account and who more than likely carries the credit gets a percentage of that foreign sale.

Instead of assessing the old rate of 2%, Gascard now takes 3% of that sale and gives it to the jobber who signed up the commercial account, although some jobbers under the old contract are still receiving 2%. After an estimated 1% cost of carrying credit, the jobber is left with 2%, officials add.

Finally, transaction fees were cut. Fully-automated sites used to cost the franchisee 2.2% per transaction for new contracts. Now, the fee is 1.5% with a 30% volume discount, bringing the fee down to 1.05%. Attended sites are still 2.2%; however, the volume discount brings that fee down to 1.54%.

Lowering fees was an important part of winning the confidence of franchisees, many of whom even during bankruptcy proceedings continued to process transactions.

"Some of our customers didn't even know Gascard was in bankruptcy at all," says Jan Cochran, of Peterborough Oil Co., a Gascard franchisee in Leominster, Mass.

Many current Gascard franchisees, like Cochran, see the company today as having the same point of view as they do. With the five original investing franchisees and now an additional sixth all being jobbers, there was an assurance that decisions were now being made from a jobber point of view.

"They're people just like me," says Alex Fassas, of Red Hed Oil Co., a franchisee out of Richmond, Ky.

The early days

Gascard has come full circle in that the company began in the hands of enterprising jobbers before taking on its identity as a transaction processor.

The Gascard concept began over 10 years ago in 1978 with a New Mexico jobbership linking its fueling pumps to a central computer.

Bolton Oil Co. out of Artesia, N.M., operated by brothers G.W. and Curt Bolton, were Phillips jobbers who mounted the first attempt at a national commercial fleet fueling network.

Their vision was of a network of stations where company cars, delivery trucks, police cars, taxis and buses could fill up at with the additional service of accounting for fleet fueling costs. The service would eliminate employee pilferage and prevent other unauthorized purchases.

Gascard's uniqueness then and now, according to company officials, is its detailed list of pre-authorization checks before allowing a customer to fuel his vehicle. As opposed to a "negative" card file, which merely checks a customer's account card against a "bad" card list, Gascard's system assesses a customer's current credit availability, fuel type and grade. Gascard officials say its comprehensive pre-authorization methods are what sets its idea of commercial fueling apart from its subsequent competition.

Gascard began operations with great ambition and the best intentions. Gascard Club Inc. was incorporated in 1981 and started as a group of New Mexico distributors with a network of 14 fueling locations.

Gascard's expansion ideas were grandiose: a coast to coast chain of stations to fuel national fleets and maintain fuel management records—an idea with inherent problems (See related story).

In 1983, through the work of cousin W.D. Bolton, Gascard garnered financial banking from affiliates of Citicorp, E.F. Hutton, Rust Capital Corp. and Sears Pension Trust—to the tune of $3-million.

There was a "euphoria" at the company with the first investments and a feeling that the venture funding would "last forever," officials say.

"There was a good feeling during the rollout of the national plan," says Hansen. "There was a feeling that someday the blood and sweat would pay off. It was a very labor intensive time. Everyone gave 200%."

Unfortunately, with the breakup of AT&T, telecommunication costs skyrocketed. Gascard, with its network heavily dependent on phone lines, took a mighty blow.

Through 1984 and 1985, Gascard appealed to and received more money from its venture capitalists.

"There were several peaks and troughs in terms of cash," recalls Hansen. "Whenever we'd get another round of funding to hire people to do the job, the cash would eventually run out and people would get laid off."

Hansen says a cash "peak" lasted about a year, but since the fleet management business was so "specific," it would take six to nine months of training before a new employee would become productive, and by that time, that person had to be let go.

"A lot of people have come and gone," Hansen says. "But we've managed to retain our best, the cream of the crop."

Jobber rumblings

Unknown to the office workers in the California headquarters, Gascard's national expansion during the mid-1980s was taking on an uncontrolled, almost careless nature, according to sources formerly on the Gascard sales staff.

One source says salesmen were touting Gascard's backing from Sears as a selling point, when in fact, Sears was only involved through its affiliate company, Sears Pension Trust. One source says, jobbers were shocked when Sears came out with its "Fleetshare" program after getting the impression that Gascard was Sears' fleet fueling network. Jewel, Gascard's president and CEO, admits there may have been some confusion on the part of jobbers, but that the only tie to Sears the company held was its backing from Sears Pension Trust.

While some jobber grievances came from Gascard's sales force, others originated from upper management. Marketing strategies conceived at the corporate level were implemented, then pulled after few months for being "unsuccessful," causing confusion and anger among jobbers, sources say.

National Growth: Picking The Right Formula For Expansion

How to grow into a national fleet fueling network has been the question for many in the budding business of serving commercial fleets.

Those with the once financially-troubled fleet fueling network Gascard believe one of Gascard's major problems was growing too fast too soon. Thomas Jewel, president and CEO of Gascard, says the company just didn't have the marketing support to service all the franchisees that were signing on.

After filing for Chapter 11 protection last year, Gascard has emerged to turn a profit this summer.

Yet, more fundamentally than the problems of unchecked growth is the issue of a commercial fleet fueling system going "national" at all.

On the surface, the idea looks good. A commercial fleet truck can fill up coast to coast at Gascard locations and still be included in company management reports. However, in reality, commercial accounts are more regional. They frequent the same sites in a particular region, sources say.

Gascard recognizes this, and while it is still looking for strategic interstate locations to sign on, its focus is on developing regions.

Two other commercial fleet service companies are taking their own approaches to growth.

Pacific Pride out of Salem, Ore., is taking a regional strategy toward growth, expanding region by region from its West Coast base. The company today boasts 400,000 active cards, a 6-million gal./mo. volume and a nine (soon to be 11) state network.

Pacific Pride believes its customer base to be the petroleum marketer, and has grown though franchising.

Wright Express, out of Portland, Maine, operates more like a credit card. It signs on companies that already have point-of-sale (POS) systems in place. Wright Express offers the marketer the ability to use private label cards or to accept the Wright Express "WEX" card.

The ease of integrating the WEX card into established POS systems has been a major selling point for the fast-growing financial processor.

In early fall, the company had added Circle K, Jiffy Lube and Firestone to its league of members. Others who have signed on include Getty, Harken's E-Z Serve, Mapco,Total, Crown, Fina and Miller Oil Co.

An official with Wright Express says the company goes after "medium independents," in an effort to pick up the most sites in the shortest amount of time. But adds that jobbers and the major oil companies are its future markets.

Many municipal fleets are part of Gascard's network. Just one year after filing for bankruptcy, Gascard boasts a 19% increase in gasoline sold and a 33% increase in transaction volume.

A major issue in many jobber complaints was a plan for so-called "SWAT" teams. These teams of seven or eight salespeople would go into metropolitan areas and "put cards out like crazy." But the plan failed. The salespeople underwent a reported two-week training period and then were sent into areas they were just plain unfamiliar with, sources say. "These people didn't know the area. They had no idea of what pricing was like or what commercial accounts in the area were looking for," says one former Gascard salesman.

Many areas, which were promised marketing support, were not given it, according to sources.

By the end of 1985, jobber litigation had begun to mount, and Gascard found itself spending "considerable sums" of money to defend itself against suits and to fend off others.

Transition to processor

The venture capital firms, who over time had gained a majority of Gascard shares, made their move in 1985 by assuming control of the company and appointing Thomas M. Cannon president.

Cannon had been with First Data Resources, one of the largest bank card processors in the world, and also had experience in sales and marketing for IBM.

"The Boltons were seen pretty much as entrepreneurs," Hansen says. "Cannon had a large corporate perspective."

With his professional air, Cannon brought his experience in the computer and transaction processing fields to a troubled Gascard. Things would change with his arrival. Cannon had the experience of a transaction processor, and Gascard was molded into that view, Jewel says.

In 1986, Cannon restructured Gascard. Field offices closed. Employees were laid off. Operations were brought into the main office. Most importantly, focus turned from being a franchisor with marketing support to simply a transaction processor, the company says.

One of the most jolting results of the change was the dropping of what has been called the "24-and-5 fee" that Gascard recommended jobbers charge their commercial accounts.

Gascard recommended, though never required, jobbers charge a $24 per vehicle fee up front and a $5 per vehicle monthly fee for the service of providing monthly fuel management reports.

Some jobbers weren't successful at getting that amount from customers, but some were. In fact, some jobbers could justify their system merely by the 24-5 fee alone.

According to Gascard officials, Cannon felt that to increase revenue, transaction volume needed to increase. The company stopped recommending the fees and asked franchisees to give the cards away, sources explain.

Jobbers, many of whom survived on those fees, were outraged. These jobbers felt that their fee structure would be undermined by competing Gascard franchisees who could offer the cards to customers for free.

The litigation continued into 1987. A turning point during the legal battles of the mid-1980s for Gascard was a suit filed by Away Marketing out of Waco, Texas. Generally following the lines of other lawsuits, the Waco case became important when Away Marketing won in a local court and gained a settlement with Gascard. Lawyers for jobbers in other states quickly scurried down to Waco and began patterning their lawsuits to the successful Texas case. Suddenly, souces say, the jobber suits became a real threat.

Dark days

With the burden of litigation coupled with increasing operating costs, the company found itself in need of more capital to become profitable. So in March 1987, the company went public and raised $5-million in its initial offering.

But going public was no panacea. The threat of further litigation kept away investors, and high telecommunication costs and an expensive lease on its headquarters offices sent the company lower and lower.

Litigation lingered throughout the year and salesmen for months were unable to recruit new franchisees. Some salesmen say they sat around for weeks doing nothing for their base salaries.

In March 1988, the Gascard board of directors brought in 15 franchisees to a meeting in Dallas/Ft. Worth, Texas, in the hopes they would buy the financially-ailing company.

Five jobbers agreed to invest: Barney Holland Oil Co., Ft. Worth, Texas; Herkimer Petroleum Products, Inc., Utica, N.Y.; RAD Oil Co., Inc. New Rochelle, N.Y.; Spinx Oil Co., Greenville, S.C. and West Texas Gas, Inc., Midland, Texas.

A sixth investor, Sunwestern Joint Ventures, entered the picture later on.

The franchisee investors formed GCF, Inc., a separate company, to review the situation and consider investment in Gascard.

On April 29, 1988, Gascard filed under Chapter 11 of the U.S. Bankruptcy Code.

Though upper management was aware of its financial problems and many jobbers and field representatives knew of certain lawsuits, most Gascard office employees were in the dark. Hansen says bankruptcy came as

a shock to most workers in the office. "Everything seemed full steam ahead," Hansen says. "We knew there was trouble four or five weeks before it happened; then it came on suddenly. Everyone thought Tom Cannon would pull it out of the hat."

Observers describe a "we versus they" distance between headquarters and the jobber franchisees, and as a result, a bit of resistance when the franchisee investor group came in. The friction—which was short-lived, two or three weeks at the most, according to sources—is an example of how separately Gascard had operated from its jobber franchisee base.

One official described how Gascard employees harbored stereotypical images of oil jobbers being blue-collar workers and the fear that professionalism might be lost. All fears dissipated with the no-nonsense, cost-cutting approach the franchisee investors showed from square one, the official says.

Keith Moore of West Texas Gas became the company's president and CEO, assuming daily operations of the company. Lindsay Holland of Barney Holland Oil Co. took the chairman of the board and executive vice president positions, taking on the bankruptcy proceedings and press relations responsibilities.

The franchisee investors held meetings with other franchisees around the country, letting everyone in on plans and withholding only what could not be revealed under Security and Exchange Commission codes.

"(The new franchisee investors) could have planned in some igloo in the dark, but they understood that the key to success is communication," says a Kentucky franchisee.

From the ashes

On Sept. 1, 1988, Gascard stepped out of bankruptcy and into a new era. Free from any legal or financial entanglements, Gascard began working toward profitability.

Last May, June and July, Gascard produced the following sales figures:

- $10.5-million/mo. in sales.
- 9.9-million gal./mo.
- 460,000-transactions/mo.
- 43,000 fleets using the system.
- 160,000 vehicles using the system.

After regaining its ability to sell more franchises in January of this year, Gascard, as of August 1, has signed on 11 new franchisees.

In a sense, the less-flashy, simpler Gascard of today has more appeal to jobbers than its predecessor.

Going from an 75,000-sq.ft. space at the top floor of prime San Diego real estate to a modest, 10,000-sq.ft. office a few miles away in Carlsbad emphasizes their cost-cutting image.

Cost-cutting doesn't mean loss of quality either. Money-saving improvements in telecommunication and hardware have also shortened the time it takes for a customer waiting at the pumps to get approval. An intolerable 20-30 second wait has been cut to 2-3 seconds.

With updated Diebold and Datatrol island card readers and point-of-sale devices, Gascard now authorizes the bulk of transactions at the site. With its new distributed authorization system (DAS), Gascard terminals can now store information until such a time when a batch of information can be sent and/or when telephone rates are lower.

Gascard's DAS exchanges information between the site and the California computer in a free-flowing manner, sending important pieces of information quicker and waiting on others. All information is processed after a six-hour time span, officials say. While there is some exposure to fraud, it's minimal and Gascard has had no problems thus far, officials say.

Gascard received patent approval for the DAS in August.

Franchisees with the old equipment did pay for the new system, but considerably less and for a much better payoff, say both franchisees and Gascard officials.

For the updated POS device, for example, Gascard back in February gave franchisees the option of buying the device at $1,000 or staying with the old transaction fees (which are in most cases 30% higher than the new fees). Then, last August, when the company could afford to, it gave the devices to franchisees free of charge.

The company's new sense of practicality flows onto the marketing support it provides franchisees. No longer does it espouse any one method of marketing the service to commercial clients.

Gascard offers a two-week training session for franchisees and has begun a traveling version for interested franchisees. Gascard tells what has worked for some franchisees, but doesn't recommend any method over the other.

Franchisee reaction

Many Gascard franchisees who were with the company before the bankruptcy are satisfied with the changes that have been made. Many feel Gascard has been headed in a good direction ever since bankruptcy and aren't surprised at all that the company has turned around so quickly.

There have been jobbers who have switched networks. Bob Nicholes, of Bob Nicholes Oil Co. in Caldwell, Idaho, for instance, left Gascard before its bankruptcy because of high fees. He found his foreign

Franchisee R.A.D. Oil Co.'s GASCATT installation at John F. Kennedy Airport in New York City.

Fleet Card Processors/Marketers

(Where companies are diversified, numbers represent their fleet card operations only)

Aspects:	Commercial Fuel Network	Gascard	International Automated Energy Systems (Florida)	Pacific Pride	Sears "Fleet-Share"	Wright Express	Crown/ Wright Express	Fina/ Wright Express	Getty/ Wright Express	Diamond Shamrock	Mobil	Phillips	Shell
Total annual sales (add 000)	$60,000	$120,000	$12,000	$39,000	$13,5,000	$34,000	$9,4,000	$ 6,000	$9,6,000				
Total monthly sales (add 000)	$ 5,000	$ 10,000	$ 1,000	3,000	$ 12,000	$ 2,000	0,7,000	$0,5,000	$0,8,000				
Total electronic sites:	200	1,700	50	170	1,200	3,200	800	800	1,600	400	5,000	300	4,300
Average monthly sales per site:													
Automated island card reader sites	25,000	30,000	20,000		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
In-store P.O.S. device sites	N/A	4,000	N/A	N/A	700	625	875	625	500				
Number of vehicles		102,000			17,000	12,000	4,200	3,000	4,800				
State coverage	4	38	1	8	22	35	12	20	11	7	37		40
Regional concentration	West coast	38 states	Florida	Northwest	36 states		Northeast	Southeast & West	Northeast	West			
Number of sales and customer service offices	1	127	1		21	1	1	1	1	1	1	1	1
Years in fleet-card business	2	8	8		3	7	2	2	2	3	Start-up	3	2

Source: Gascard, Inc.

transaction business increased upon joining Salem, Ore.-based Pacific Pride Services Inc. He also enjoys the simplicity of Pacific Pride's punch-card mechanism.

For others, however, a combination of prior investment, the fundamental changes within Gascard, lower fees and equipment charges and simple faith have kept them with the company.

Dave Katulic, director of automatic fueling for Atlas Oil Co. in Detroit, says the revised fee structure sold the company back on Gascard. Atlas had been a litigate in a prior lawsuit against Gascard, which charged the company with failing to provide promised marketing support.

Katulic says fees assessed prior to bankruptcy hit $200-$300/mo. Today, the fees are more like $50. "Believe me, we looked very closely (at the new Gascard) before joining again."

Another jobbership, Peterborough Oil Co. in Leominster, Mass., felt satisfied enough with Gascard's changes and rejoined the network.

Jan Cochran of Peterborough says one of the pluses of Gascard is that her company maintains control over the credit. If a customer has a problem, they can consult her directly and she can handle it without having to go through a third party. Of course, jobbers who aren't used to carrying credit may not find that aspect so appealing; and there are other fleet fueling companies, such as Wright Express out of Portland, Maine, that will carry credit for the jobber.

A big feather in Gascard's cap is an extended three-year agreement with West Coast major Arco. Through Arco's PayPoint network, Gascard customers can fill up at the major's 1,000 retail outlets.

So it appears, for a multitude of reasons, Gascard is still drawing in franchisees, old and new. Lee-More Oil Co. of Sanford, N.C., is a chain of 50 gasoline/C-store locations and is affiliated with the Pantry chain which has 400 similar outlets.

Truby Proctor Jr., chairman of Lee-More and an official with Pantry, says the large geographical abilities Gascard offers is what made the company drop its previous fleet network in favor of Gascard.

"You have to provide the locations for your customer base," Proctor says. "If you cannot give the geographical ability, then you'll be unsuccessful."

Many believe Gascard's return from bankruptcy is a positive sign for a budding industry.

"The fleet fueling industry took a blow when Gascard filed for bankruptcy," explains Paul Farrell, vice president of franchise sales for Pacific Pride. He says many "lost faith" in the fleet fueling idea. "We're glad (Gascard) has pulled out of bankruptcy. It gives customers a choice."

Farrell's comments illustrate a "friendly" competition among the players in the field. While they won't hesitate to declare the advantages of their system over their competitor's, they realize the concept of fleet fueling is still in its infancy, and needs a delicate hand to mature.

Still, as many Gascard franchisees point out, growth in commercial fleet fueling is inevitable. Environmental Protection Agency regulations are forcing hundreds of privately-run tanks out of service.

"With the (EPA's new regulations), we get two or three calls a week from companies who are going to be pulling out their tanks," says Katulic of Atlas Oil. "Fleet fueling is guaranteed to be the oil jobber's market of the future." NPN